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FOREIGN MINISTRY ANSWERS ANDEAN PACT DECLARATION

PY061618 Buenos Aires TELAM in Spanish 0021 GMT 6 Aug 80

[Text] Buenos Aires, 5 Aug (TELAM)--The Argentine Foreign Ministry has issued a communique stating that it has been informed of the declaration of the presidents of the Andean countries issued in Lima on 29 July.

On that occasion the presidents of Peru, Venezuela, Colombia and a representative from Ecuador--Bolivia was absent--issued a declaration which stated: "We especially emphasize the firm channels for dialogue established with Argentina and Brazil within the Latin American framework and the favorable prospects of such dialogue in connection with regional integration and cooperation. In this regard we wish to state our desire to encourage actions aimed at signing a cooperation and development treaty between the Andean group and Argentina, within the framework of the new system for regional integration.

The Argentine Foreign Ministry communique states its satisfaction and reaffirms its willingness to sign a cooperation and development accord with the Andean Group. The communique also states that "the Argentine government greatly appreciates this statement of political will and assigns the utmost importance to it because it has been issued by the presidents of a group of countries to which we are joined by many bonds." The communique adds that "the Argentine Government trusts that it will be possible to coordinate actions aimed at the positive negotiations of the accord."

EXECUTIVE BRANCH APPROVES NEW NUCLEAR ENTERPRISE

PY061548 Buenos Aires LA PRENSA in Spanish 22 Jul 80 p 1

[Excerpt] The national executive branch has approved the contract signed between the National Atomic Energy Commission [CNEA] and the Swiss Banks Syndicate for a loan of up to 373,612,230 Swiss francs to finance the construction of a heavy water plant in Arroyito, Neuquen Province.

The national executive branch also approved the agreements signed on 9 May by the CNEA and the Kraftwerk Union Aktiengesellschaft of the FRG related to supplies, services and guarantees required for the construction of the Atucha II nuclear powerplant.

This decree by the national executive also approved the accords for technical cooperation in the field of nuclear fuels and the shareholders accord aimed at creating a joint engineering enterprise that will be called "Nuclear Powerplants Enterprise S.A." [Empresa Nuclear de Centrales Electricas S.A.--ENACE S.A.] in which the state will be the major shareholder. This decree also approved the charter of this enterprise.

BRIEFS

OIL CONTRACTS--Buenos Aires, 15 July (NA)--The Argentine Government has approved three contracts between Government Oil Deposits [YPF] and three private companies to prospect for, develop and exploit hydrocarbons in the provinces of Neuquen, Chubut, Rio Negro and Mendoza. The first contract is between YPF and the Techint International company and the Argentine company for the development of oil and mineral industries to operate an area called Aguada San Roque Oeste, in Neuquen. The second contract is with Pluspetrol, Inc. to operate in an area called Nirihuau watershed in Rio Negro and Chubut. The third contract is with Argentine Oil Alliance, Inc., Alfredo Evangelista and Company and Qitral Company to operate in an area called Concluencia in Mendoza and Neuquen. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1810 GMT 16 Jul 80 PY]

GARCIA MEZA ADDRESSES NATION ON INDEPENDENCE DAY

PY062013 La Paz Domestic Service in Spanish 1642 GMT 6 Aug 80

[Message to the nation on the Bolivian national day by Bolivian President Luis Garcia Meza Tejada--location not specified, live or recorded]

[Text] Your excellencies, unit commanders, cabinet members, the comptroller general of the nation, generals of the armed forces, members of the armed forces chief of staff, members of the national security guard, distinguished ladies and gentlemen, fellow citizens:

This is the first time that we commemorate within the national reconstruction process an anniversary of Bolivian independence. I want, therefore, to address all Bolivians on this date not only to inform them on the present national situation, but also to explain to them the essential aspects of the process that was established in Bolivia on 18 July 1980.

Bolivia began independent life 155 years ago as a nation having more resources than any other nation in the area, having a solid cultural patrimony and a sovereign access to the Pacific Ocean. Despite this (?favorable) situation, Bolivia today finds itself behind all the other Latin American nations; it is among the poorest nations of the Fourth World. These 155 years of independent life, therefore, should make us reflect on the future destiny of our fatherland. We must place ourselves in the proper perspective and see that we must learn from our past experiences and draft a new destiny for our nation.

We declared our political independence in 1825, but this was only the first step in our emancipation process, since we continued to have strong administrive ties with the Spanish crown and we continued to supply them with our resources.

Long and difficult was the path that led to the Bolivian revolution that was started by the governments headed by David Toro and German Busch. The first of these nationalized the oil industry that was in the hands of a foreign consortium, and the latter adopted basic measures that forced the powerful mining sector to contribute to the national economy with the foreign currency from its mineral exports.

The decisive step of the Bolivian revolution was taken by Gualberto Villarroel who on 20 (?December) 1943 issued important measures to improve the peasants' [word indistinct] and the living condition of mineworkers. Villarroel had to confront a strong opposition from both rightist and leftist sectors. He failed in his objectives and was killed. [passage indistinct]

The national reconstruction government is determined to explain once again the reasons for which the armed forces took over the guidance of Bolivia's future as a result of the resignation of the presidency submitted by Mrs Lidia Gueiler Tejada. Her resignation has been distorted by extremism in order to confuse and misguide the citizenry and to discredit the country abroad.

The nation was faced with a decadent and stagnant political project and a fraudulent democracy being orchestrated from the world power centers of a totalitarian domain. Bolivia was at the brink of an unavoidable disintegration of its land; this was the sad and shameful picture of the country under the title of psaudodemocracy.

After 10 years in government the armed forces handed power over to the civilians so that they would install a pluralist and [word indistinct] democracy. However, after three general elections, the political leaders, in addition to hindering our development and economy, brought our country to a stagnant situation. One proof of this stagnant situation was the existence of 62 political parties in 1978 and 52 in 1980.

The political leaders were not even concerned with the future of the nation; they were only interested in satisfying their personal interests to assume power, and so compromised our sovereignty.

Since the country was sunk into a chaotic and anarchical situation, the Bolivian people and the armed forces decided to establish order as opposed to disorder, enforce the rule of law and achieve a peaceful coexistence in order to safeguard the fundamental institutions and prevent the disintegration of national territory.

To pursue these purposes, the armed forces government started an independent, autonomous and strictly national reconstruction process on 17 July which does not obey dogmatic doctrine but is more directed toward achieving specific objectives. In this regard, I must emphatically point out that the armed forces national reconstruction government will promote a political process destined to change the economic, social and political system of the country, which means that we will eradicate our historic condition as an underdeveloped country which depends on and is tied to the interests of imperialism.

We express a clear and full (?repudiation) of international extremism and of greedy imperialisms, since our project is based on the greatest values of humanism and revolutionary nationalism.

In accordance with the aspirations of the process for national reconstruction, and once the stage of consolidation has been achieved, the much-desired real democracy will be the essence and the action of the nation's overall development. In other words, they are the material and spiritual conditions that the Bolivian people are seeking, together with national reconstruction; and they will thus undertake the start of the democratic process which will become a part of the political and legal framework of the state.

This is not a government of caudillos nor of predestined men. The process of national reconstruction is not just another incidental episode, nor is it a regime. It is a historical process that responds to reality and to the most important needs of the Bolivian people; and it is in this that its final reason for being permanent and the guarantee of its continuity reside. We have the support of the military institution, whose responsibility to the nation cannot be abandoned. There are also the social sectors that include the peasants, workers, middle class, businessmen and professionals who are the vigorous force of the people, who in turn always are aware of their Bolivian heritage which will place them above confusion and deceit.

We have saved the country from disorder, anarchy and adventurism. The social and economic breakdown had been undermining the state's institutions: the stoppages, strikes, terrorism and similar types of incidents had caused panic and astonishment among the population. Hate and violence had been proclaimed. Thousands of citizens had been stigmatized by the sectarian left in order to be pushed outside out national way of life, among them civilian and military professionals.

The university had strayed from national reality and its needs, and what is even worse, it had left higher education to one side to become a center of international interests [foquismo]. Party groups and their supporters had turned the university into a center for agitation and dissemination of extremist ideologies; and they even organized international political festivals, shamefully embezzling the funds that the Bolivian people generously contribute for the training of professionals.

The university became a center for the cult of Castro and its adoration, including Marx, Lenin and [name indistinct], thus replacing the fatherland's heroes and the national flag was exchanged for the banner of extremism. The univeristy faculty had been placed at the service of leftist political favoritism, and the most capable professors were fired and replaced by those who bowed to anarchy and demagogy.

In view of this situation, the government of national reconstruction will implement the necessary measures which will permit the university to return to the function that the Bolivian people expect from it: the professional training of their children.

Regarding education, the government of national reconstruction desires to establish an atmosphere of fidelity to the national ideals, a clear Christian and human behavior and a responsible conduct in order to organize a united, harmonious and creative society. The contents of knowledge, the methods of teaching and the evaluating procedures will not be at the service of demagogy, laziness or backwardness.

Those teachers who do not harbor political passions will be protected by the government of national reconstruction so that their conduct and behavior may become an example, a model of positive qualities, modesty and efficiency. Thus, ultraleftist sectarians will not become the standardbearers of a class struggle or unbridled youth violence. Furthermore, the children and youths will not have to endure the organized attack of extremeists.

In the domestic sector, the armed forces government has pledged to fully respect the citizens' civil rights and will guarantee the exercise of the right to freedom. But this inalienable right of man is exercised in a peculiar manner by the international left which, abusing this right, seeks to undermine the country's internal security and intends to use carte blanche to commit terrorist actions and political crimes.

While we will respect human rights, we will enforce the laws of our nation. We will not tolerate abuse of freedom nor will we let our tolerance be mistaken for weakness. Ultraleftist groups disguised within human rights commissions have been acting unilaterally: on the one hand, they condemn the legal action taken by sovereign governments to defend society; and on the other, they defend terrorist actions. For instance, the world has looked with horror at the events that took place in Cuba because the Cuban case has no precedent in history: thousands and thousands of men, women and children left that country to search for a refuge in which they may enjoy freedom. They left the so-called paradise of communist dictatorship, similar to the one that some had attempted to install in Bolivia.

But the governments of those countries that regard themselves as leaders of democracy in our continent have adopted fearful, sly positions. Neither these nations nor the equally pompous commissions have protested the case of the Cuban refugees. Neither the international organization [presumably the OAS] nor the Andean Pact, which are now condemning Bolivia, have ever supported the Bolivian people. Now, however, they have adopted an unjustifiable, cowardly position against our nation by arrogating for themselves the right to judge the Bolivian reality. Based on the above background, the government of national reconstruction considers that they lack both the right and the moral authority to censure the Bolivian reality.

My government also reasserts that it has given full guarantees so that international organizations, representatives of friendly peoples, may have a firsthand view of the Bolivian situation, which has been distorted abroad through insidious, slanderous reports disseminated by (?communism).

In Bolivia, we seek to promote equal opportunities for all, the incorporation of the majority into the cultural and socioeconomic process. In the social sector, we will basically seek to revise every aspect related to the care of neglected children and the inalienable rights of both women and senior citizens. In this effort, the reorganization will be primarily focused on providing as much care as possible to those needy persons lodged in government-managed homes throughout the country.

We are going to eliminate bureaucracy in the programs of social action to that women, children and the aged will receive adequate and special attention from the state in accordance with the programs currently in force in this field. Our immediate goals are health protection, housing and overall social security. We will support the formation of a new free union without sectorial commitments and without foreign influence.

We will advocate a frank and open dialogue with labor organizations and other institutions.

Regarding agriculture and agroindustry, they will be guided toward achieving self-sufficiency and toward the production of raw materials for the [word indistinct] overall processing and exports. We will encourage agricultural production, particularly of foods which are imported, such as wheat. In this regard, the (Abapoy-Sofoc) project should immediately be made a reality so that wheat production will satisfy all the needs of the country.

In general terms, agricultural development will have the necessary priority and new policies will be implemented in order to modernize the export of traditional agricultural products by increasing production. By increasing the income of the agricultural sector, the standard of living of peasants will improve and they will therefore be able to better satisfy their basic food, housing, education and health needs.

This is why we will work hard for the consolidation of the agrarian reform, the introduction of new agricultural technology, the rational use of the land, the institutionalization [words indistinct] and agricultural mechanization in accordance with the size of the agricultural land.

We have already created the agrarian university and we are now going to implement [words indistinct] rules. We will push forward the development of cooperatives and other forms of production association, credits and [words indistinct]. We will create mechanisms to ensure profitable prices for peasants and stable markets for their products and (?prevent) losses in exchange and eliminate vices and defects in the trade system.

We will review the structure of the social security program for peasants so that its application will become more realistic and effective. In this regard, a new sanitation program will be announced with the participation of middle-level professionals [words indistinct].

Bolivia is confronting a very serious economic and financial situation. It will be difficult to overcome this crisis without the patriotic participation of all Bolivians. Without order, without (?respect) for legal rules and without confidence in the future, it will be impossible to undertake the great task which we must [passage indistinct] the economic crisis which practically paralyzed the country due to lack of financial resources. Production significantly decreased to a point where emergency measures had to be adopted to partially solve the immediate problems affecting the country.

The main objective of any economic measure is in fact to establish a climate of confidence, both domestically and abroad, to make possible the reversal of the economy's negative trends and to positively guide the nation's productive sector; but that objective was thwarted by the electoral process which only served to expose the country's vulnerability and to deepen its dependence, thus weakening even more the already frail financial structure of the country, by calling for salary readjustments two (?or three) times in the first half of the year without demanding increased production or productivity to make possible such readjustments, or trying to fulfill social gains that were obtained through pressure by the labor unions--social gains which were unjustified as to their magnitude--due to the passivity of a weak and inept government.

Regarding the implementation of the nation's general budget, none of its provisions was met.

In the present fiscal year [passage indistinct], from January through (?June), the national treasury revenues only amounted to 4,942,000,000 Bolivian pesos and expenditures to 16,083,000,000 Bolivian pesos, the difference being covered mostly through fiscal credits.

Regarding revenues expected so as to meet this year's budget, we must note that the internal revenues fell short by 17.8 percent, and the intake from customs was 44.1 percent less than anticipated. We must also recall that the reduction of mining royalties, which was enacted in order to promote mining activities, amounted to 900 million Bolivian pesos, in addition to the lack of tax payments to the national treasury by several important state enterprises. Despite adverse factors, however, 820 million Bolivian pesos have been paid out for amortization and interests on the foreign debt.

As a result of this situation, the national treasury [passage indistinct] of many productive sectors, negatively influencing the indexes of receipts from revenues, income tax and customs fees. Considering that the Bolivian state participates to a large degree in the process of production and consumption through its enterprises [words indistinct], both productive and administrative requirements [words indistinct] personnel and other inevitable expenses reveal a dramatic situation which necessarily demands that the budget be reformulated as permitted by national treasury funds so that the reformulated goals can be achieved, thus imposing on all sectors the need to cooperate closely for a period of time in order to revamp the country's economic structure, and particularly cooperation among productive sectors and public enterprises which at this time require utilization of the scarce resources available, while restricting the activities of other sectors so as not to worsen the political and social tensions which the country has experienced lately.

Financial reorganization is very necessary; we must make every effort to improve the image and the guidelines that we have outlined. We must make our economy healthy without applying measures that can place the price structure and the purchasing power of salaries in jeopardy. We will try and seek the equilibrium of the price structure and purchasing power and try to make it permanent.

The accelerated deterioration that the national economy is experiencing is also reflected in the balance of payments deficit, in the loans that are granted to the public sector so that it can cover the fiscal deficit, in the decrease of real savings--in short, in the monetary demands originating in the country.

In turn, the above-mentioned factors generate a larger demand for foreign exchange which caused a strong pressure on the average price index up to 30 June when imports were reduced by 18 percent and when exports increased by 22 percent. The balance of payments had a deficit of $61 million, because payment toward the external debt amounted to $156.3 million in amortization and interests payments mainly for the short-term debts. These results are due to the policies of the previous governments which did not know how to adopt measures which would reverse the negative tendency of our foreign trade.

The net credit extended to the public sector increased by 44 percent. The demands of the national treasury on the Bolivian Central Bank: Current expenditure had an accelerated growth due to the salary policy, which I have already commented on here, and due to a significant decrease of the treasury's income--a decrease which cannot be explained in proportion to the contraction of the production of goods and services and to the reduction in the value of exports.

To 30 June 1980, the external debt amounted to $3.5 billion. Nevertheless, a clarification must be made: This amount includes current obligations and obligations to be contracted. The debt--what the country currently owes--amounts to $1.95 billion of which (?$160) million accrue to short-term debts which must be honored in this fiscal year. The most dramatic item is most probably demonstrated to us by the debt service coefficient in relation to the level of the exports which I repeat, is 70 percent.

All Bolivians must become aware of this figure; we must all meditate about it and assume the commitment to join efforts to reduce the negative trend of the country's overall economic structure which, in the end, mostly affects the impoverished sectors.

In the name of the armed forces of the nation, I must tell the Bolivian people that the evolution of this dramatic situation was constantly studied by the different sectors of the military organization.

No one could deny that this situation was gradually getting worse. In 1979, the GDP increased 1.2 percent, a very low percentage indeed in comparison to the previous year and much less than the growth of other Latin American countries, particularly our neighbors.

We are conveying this information to the Bolivian people along with the concern of those who are assuming the responsibility for the leadership of the national interests; therefore, we are obliged to propose a period of austerity and sacrifice in order to be consistent with the task we must implement to effectively carry out national reconstruction, which was initially proposed by the armed forces and which has now become the common task of all Bolivians who are really searching for the country's recovery at all levels.

We must make more flexible some of the instruments of monetary policy to strengthen financial savings. At the same time, we must search for the growth of the productive sectors to reduce our foreign dependence and vulnerability. Therefore, the appropriate organizations will study and adopt the following measures: Interest rates must be in accordance with economic efficiency, that is, they must be positive in real terms. We must design a policy toward foreign debts compatible with the national economic development. We must renegotiate the foreign debt and define the best guidelines for internal and external credits.

We will soon draw up and implement the economic and financial program agreed on by our country with the purpose of creating the basis of a sustained growth of our economy and to reverse the negative tendencies of the past.

The overall economic problems affecting the country--which are undoubtedly one of the main concerns being studied by the armed forces, the centers of economic activity and by social organizations--involve the management and projection of public enterprises.

The Mining Corporation of Bolivia, COMIBOL, has priority due to its economic magnitude and social impact, both in the mining sector and in the entire national political activity. COMIBOL has reached a critical level which is endangering its own stability; therefore, there is an urgent need to apply corrective measures to find effective short, medium and long-range solutions. Despite the levels of international prices for our minerals, it can be predicted that the financial situation of COMIBOL during 1980 will show a deficit of $80 million.

To avoid greater deficit, which would have a negative impact next year, we must urgently overcome or reduce this deficit through the immediate implementation of combined formulas which may result in deferring obligations, new financing and above all in the rationalization of expenditures in the remaining part of this year.

COMIBOL's short-term foreign debt will be refinanced and its debt with the Central Bank, which amounts to $48 million, will be studied within the framework of the situation of the central bank and our country's commitments.

Once these two measures are instrumental in solving COMIBOL's domestic and foreign debt, it should be able to meet its financial requirements for the present fiscal year.

But COMIBOL should not expect everything from the government since, as a corporation consisting of executives, experts, employees and workers, it should contribute as never before to achieving and meeting the goals that will help it overcome its current problems. Thus COMIBOL will move into a stage in which its activities will result in the well-being of its workers and of the entire world.

We expect that the COMIBOL personnel will come up with a production program which can be implemented in such a way that its physical goals--that is the tonnage of mineral production--can be met. One would be just deceiving himself if he undertakes a program which in implementation will come short of meeting the set goals. For instance, it would be unacceptable to set a production goal of 22,000 tons of tin and produce only 18,000 tons. This would indicate a sharp discrepancy between a program and its implementation. For this purpose, it will be necessary to replace obsolete equipment with new, better-performing equipment through an adequate financing plan which will soon be completed.

Consequently, we will overcome the deficit in the production of minerals to achieve the productivity level required in that sector. While we are convinced that COMIBOL must carry out long-term social programs designed to benefit its workers, we also believe that the workers must contribute with their dedicated work to justify the implementation of these programs.

When one is not living in a financial boom, to press for social gains, irrespective of how just these may be, is to adopt an unrealistic position which would ultimately endanger one's own job. Medical, educational and other services must be improved, but energetic actions will be carried out to eliminate all kinds of wrongdoings and abuses in the utilization of these services, both by managers and beneficiaries. We must take into account that increased production will necessarily result in larger profit margins which will justify and back our requests of a social nature.

We are convinced that COMIBOL must continue to be one of the pillars of future development. Therefore, all efforts must be made, firstly, to reduce and then definitely liquidate marginal production. In no way can the existence of mining enterprises that have production costs that are one or two times higher than the prices of the international market be tolerated.

The state mining enterprise has 26,000 workers and its excess labor force is one of the most serious burdens that the enterprise has to support. The excess, in round figures, amounts to 4,000 workers. Undoubtedly the solution to this problem must be undertaken with sensitivity and patriotism, starting with the creation of new centers or sources of mineral production and the expansion of the productive capabilities of the centers now in existence.

Regarding the salary policy, we start with the principle of an adequate distribution of the work of the productive sectors and the salary level should be in relation to the salaries that are paid in the services sector. The distortions that affect a healthy salary policy must be eliminated, avoiding concessions that are not solidly supported.

With COMIBOL, as in other sectors, there is the need to proceed with a rigorous selection regarding projects, especially short-term projects that will permit the overall recovery of the enterprise. For 1981 the executives and technicians of COMIBOL, with the resources at their disposal, must tightly program a significant recovery of production levels in the centers and in COMIBOL as a whole.

In the implementation of this objective, the government of national reconstruction of the armed forces will be rigorously inflexible. We have made an extensive analysis of COMIBOL, without leaving out any detail because we believe that several of its characteristics can be applied to other corporations and enterprises of the public sector. And their executives, who have been named by the armed forces government, must assume all responsibility in order to overcome the losses, subsidies or negative tendencies once and for all.

We must eradicate the image that state enterprises have shown up to the present time, eradicating the stigma of very bad administration and of personal or political favoritism.

The enterprises of the public sector and the assets of the state must be zealously administered, looked after and respected.

The outcome of a well-known aspiration, among the objectives that must be achieved during the course of making the Bolivian revolution perfect, has been that of installing foundries in the country. The national smelting enterprise [Empresa Nacional de Fundiciones--ENAF], 10 years after its creation, has had every favorable condition for it to become a model enterprise. Nevertheless, we believe that it must make serious adjustments until it achieves appropriate industrial costs that compare with foundries in other countries, thus demonstrating business efficiency.

ENAF contracts should include provisions for the benefit of mineowners who carry out processing operations in the country, not abroad, so as to encourage their productive efforts.

A fault must be pointed out in public enterprises: namely, lacking coordination among themselves, sometimes even with counterparts in the same sector of activity, thus impeding the rapid attainment of the set objectives. Another problem that undoubtedly hurts the profitability of many enterprises can be found in the practice of transferring subsidies from one enterprise to another or in the granting of subsidies disguised in different forms, among which the most common and deceiving disguise is the establishment of so-called political prices, which are not based on real production costs in which efficiency is of paramount importance.

The worry of many enterprises to obtain investment capital to improve productivity can only be dispelled with legitimately positive balance sheets in those enterprises. This situation necessarily compels us to assert effective control over every public sector enterprise so that its expenses, investments and inventories are truly justified by their needs, not with arguments that only reveal irresponsibility or even outright crimes against the nation.

Let us not mention all the minor problems affecting the public enterprises. Only a few of them have been managed with efficiency and dedication.

At this time the armed forces' government of national reconstruction wants to express its firm decision to revamp the national economy, stating that it will not tolerate irresponsibility and even less immorality.

In the sector of hydrocarbons, the state oil enterprise has been experiencing a difficult situation due to a combination of factors that are worth reiterating: A) Crude oil and oil distillate reserves have dwindled alarmingly due to insufficient drilling to search for new deposits, and national consumption of oil byproducts has climbed in the wake of susidized prices; B) Low reserves are the result of exhausted oilfields with the consequent decline in the production of liquid hydrocarbons, thus putting the state oil enterprises face to face with the possibility of having to import crude oil or some heavy oil distillate such as diesel oil in order to avoid domestic energy shortage; and C) Oil byproducts were sold on the internal market at prices considerably below their production cost during the past year when those prices were hiked to try to balance the poor financial situation of the state oil enterprise. Nevertheless, the policy of subsidizing the prices of several fuels sold in the country is still in force [passage indistinct]. The Bolivian Government Oil Deposits [YPFB] has been subsidizing the transportation sector by selling at a lower price products such as automotive grease and oil, aviation oil, gasoline for public transportation and aviation gasoline for cargo transport. It has also been subsidizing the prices of kerosene and liquefied gas and has been donating natural gas to Santa Cruz and Sucre for both industrial use and generation of electricity.

The enforcement of an oppressive tax policy which was not fully in conformity with the spirit of the hydrocarbons law and which levied illegal taxes on alleged income which was actually not received by YPFB. Thus YPFB suffered a major drain of capital that forced it to contract a heavy foreign debt in order to meet its tax obligations.

Despite the serious difficulties existing in the hydrocarbons sector, a great effort has been made to bring rapidly into production recently discovered oilfields such as Vuelta Grande and (El Espin) and to stimulate production in the fields of [word indistinct].

On 30 July, the present government authorized YPFB to sign a supplementary contract for the transportation, sale of petroleum and natural gas of the (Tita) field, with the Bolivian Western Company [Compania Occidental Boliviana]. The contract is designed to encourage this company to make an additional effort to boost production by drilling two new wells. Also on 30 July, the government authorized YPFB to sign a similar contract with the same company to bring into production the Porvenir oilfield in no longer than 12 months, with an average production of between 7,000 and 8,000 barrels of oil daily.

The policy that will guide the energy sector in the next few years will seek:

1. To guarantee the domestic supply of hydorcarbons during the next decade through aggressive prospecting of the country's oil basins to discover deposits of crude oil and natural gas which would be instrumental in supporting the nation's development in this field. Some steps have already been taken to provide YPFB with the drilling equipment it might need. Projects aimed at obtaining the secondary recovery of oil are being implemented in the fields of Monte Agudo and Camiri. Projects designed to locate stratified oil pockets and to determine the overall quantity of oil and natural gas existing in the country will also be implemented.

2. To rationalize energy consumption by urging consumers to use less scarce and cheaper sources of energy instead of heavily refined products. A substitution policy will be implemented in this field to replace fuel oil, diesel oil and kerosene first with liquefied gas, and then with natural gas. For this purpose, liquefied and natural gas will be made available to the consumers with an adequate price policy. Several projects are envisaged in the hydrocarbons sector within the substitution program to be implemented during the next 5-year period, for instance, the construction of a pipeline to link Santa Cruz with the Altiplano to supply gas to the industrial and mining sectors, and pilot gas distribution systems in several Bolivian towns.

3. To promote the country's industrial development through the production of natural gas that may be needed by industrial complexes such as large steel complexes.

4. To export surplus natural gas that either could not be used domestically or stockpiled for future use, after determining the overall quantity of gas reserves and the national energy needs, in order to correct the deficit in our balance of payments and to secure additional income for promoting national development.

In the field of foreign relations, Bolivia is facing a deliberately antagonized public opinion. This is so because leftist extremism is in control of most of the news media. In this regard we must emphasize that the agents of international extremism have infiltrated press, radio and TV, not only within the continent but also outside of it. Their slogans, exaggerated reports on events, not to mention systematic slander, give a clear idea of the manner in which the international pressure we are facing is organized.

Bolivia's international image has been distorted, and all kinds of lies are invented with the greatest cynicism. Unfortunately, some governments have repeated them and have accepted them as true facts.

The process of national reconstruction of the armed forces, the faithful spokesmen of the Bolivian people, has a deep appreciation for the values of the American people. The people of the United States have converted their country, called by Kennedy the nation of nations, into one of the most powerful countries of the world, through their tenacity, courage and creative imagination. Its leadership of the free world has also called forth feelings that there is real hope of building a just world, full of freedom and based on Christian values. However, these feelings are hurt by a U.S. administration which does little for the image of that country's noble people and whose (offensive) policies are causing a loss of faith in those who have been leading a large portion of humanity in accordance with the principles of the West and Christianity. It is also discouraging to see how an administration, snared by negative propaganda, is protecting its real enemies while launching destructive attacks against those who have traditionally stood firmly on the side of freedom in times of danger and misfortune for mankind.

In the face of this frontal offensive, the government will defend the sovereignty of the nation. We are not intimidated by either slander or lies. We will remain calm because we are convinced that we are acting in the best interests of the fatherland, protecting the right of all Bolivians to live in peace, free from fear and within the framework of a government whose sole objectives are the best possible development of the country and the well-being of the citizenry.

We defend our right to self-determination within the framework of national autonomy and freedom from the interference of foreign powers. We are loyal to all commitments contracted with the international community and especially those with the countries of the subregional organizations to which we belong.

This has been understood, in an honorable manner worthy of the sincere gratitude of the Bolivian people, by the brother nations of the River Plate Basin, which have loyally adhered to the principles of integration and economic cooperation within an atmosphere of respect for each other's sovereignty, dignity and self-determination and have recognized our government, along with many other countries. They have normalized their diplomatic relations with us, and their governments have reiterated their desire to continue cooperating with the Bolivian Government.

The brother countries of the Cartagena Accord have not followed suit. Unfortunately they have tried to instill in this treaty designed for the harmonious cooperation and integration of the Andean countries elements which would entitle it to control the sovereign decisions of the member countries.

Should this position be considered valid, the essential and permanent objectives of integration would be subordinated to certain political leanings which, thanks to the nature of our social structures, would create obligations and dependencies which would jeopardize and mortgage the inalienable rights provided for by the UN Charter, rights which our nation believes to be inalienable.

During the brief period during which I have been honored to preside over the armed forces government for national reconstruction, it has made the utmost efforts in the field of international relations to strengthen the essential principles of its position as a state. In line with this, obeying the rules established for international coexistence, we convey to all countries, and especially to those with which we have diplomatic relations, our desire to maintain and strengthen these relations within the framework of ideological pluralism with no other conditions than compliance with international laws and rules, which guarantee respect for the national identity of each state and its right to exercise its sovereignty.

Fortunately enough, recently-received reports allow us to promise that soon enough truth will prevail and cordial relations will continue with all the friendly countries, thus fulfilling the common desire of the peoples of the Americas and the world who want peace to prevail for a more effective international cooperation.

The national reconstruction government of the armed forces possesses all the powers and the requirements stipulated by international law to operate in the field of international relations. To this fact is added the support and backing of the citizenry which guarantees its domestic stability.

People of Bolivia: The country is experiencing a difficult time in its history. The armed forces took upon themselves the goal realizing a project of development and potential based on a just society with the active participation of the people in order to overcome dependency and preserve our traditional values.

It is the purpose of the government of national reconstruction of the armed forces to create the bases upon which a solid national structure can be built.

The armed forces, aware of this responsibility, will act with discipline and an efficient honesty. We conquered chaos and anarchy, and in the same way we will defeat any type of adventure by the fatherland's enemies.

I invite the people of Bolivia to actively participate in the great national reconstruction crusade in the same way that the armed forces have acted in order to overcome misgovernment.

All Bolivians must work for the greatness of our nation while pursuing a durable peace, with constructive work for a harmonious and continuous development.

Thank you very much.

INTERIOR MINISTRY EXPLAINS EXPULSION OF U.S. MARINES

PY061316 La Paz Radio Illimani Network in Spanish 1130 GMT 6 Aug 80

[Text] Three U.S. citizens belonging to the security service of the U.S. Embassy have been expelled from the country. Their names are: Marine Cpl Patrick J. Burns, Marine Cpl Vincent D. Bell and Marine Cpl Steven McDaniels.

The Marines, after consuming a considerable volume of hard liquor and refusing to pay their bill at the downtown Plaza Hotel, initiated a brawl and a public scandal, disregarding the curfew. They not only insulted Bolivians; their insolence reached the incredible limit of saying that Bolivia is a U.S. colony and of boldly asserting the economic dependency of this country. Their uncalled-for remarks compromise the honor of the U.S. people.

As this was occurring, various police units appeared and then military police arrived and succeeded in overwhelming them and taking them to the Interior Ministry. Their state of drunkenness was verified there, and they admitted that they were guilty of the shameful episode.

The Marines were expelled from the country at the specific request and formal commitment of Lt Col Roby Mauk, military attache, and Mr Alexander Watson, first secretary of the U.S. Embassy.

This is what the Interior Ministry has to report to the public on this matter.

VOA REPORT CITED TO 'CONFIRM' CHARGE AGAINST WEISSMAN

PY061441 La Paz Radio Illimani Network in Spanish 1130 GMT 6 Aug 80

[Text] A report carried by the Voice of America in its program "Buenos Dias, America" and monitored here fully confirms the charge made by the national reconstruction government that Ambassador Marvin Weissman used diplomatic channels to send news reports on the political events which led to a change of government in Bolivia. The report on the subject says:

The U.S. Department of State has confirmed that some news reports were sent to American newspapers through the channels of the U.S. Embassy after the recent military coup in Bolivia. The spokesman said that this was an exceptional measure with the aim of maintaining the free flow of information for the American people, after the new Bolivian military government cut off communications with the rest of the world.

This statement was made after Bolivia charged U.S. Ambassador Marvin Weissman with having violated international laws by permitting a news article to be sent by means of a Department of State telegram.

Bolivian Information Minister Fernando Palacios termed the 19 July article written by Ray Bonner for the Washington POST as slanderous. Fernando Palacios said the ambassador's action was an act of interference in Bolivian domestic affairs.

THREE U.S. JOURNALISTS DETAINED IN LA PAZ

PY070312 Paris AFP in Spanish 0231 GMT 7 Aug 80

[Text] La Paz, 6 Aug (AFP)--Three U.S. journalists were detained tonight at their hotel here by agents who did not identify themselves, while four other journalists decided not to return to their hotel after being informed that the police were after them, it has been reported here.

Mary Helen Spuner, of the FINANCIAL TIMES, and Berney Beril and Gary Tredway, who work for newspapers whose names were not disclosed, were taken in an unknown direction after being detained at their La Paz hotel by a dozen plainclothes agents.

The police also inquired about Jorge Casal, of London Visnews reporting enterprise, Ricardo Benozzo, of ANSA, Peter Jorviornson, of the Swedish radio and television, and Jan Schmeitz, of the Netherlands Vara-Radio.

In view of the curfew in force in Bolivia, it has been impossible to obtain any official explanation about this raid against foreign journalists.

REUTER-LATIN CORRESPONDENTS TO BE ARRESTED

PY061411 Buenos Aires NOTICIAS ARGENTINAS in Spansih 1345 GMT 6 Aug 80

[Excerpt] La Paz, 6 Aug--Bolivian Interior Minister Luis Arce has said that an arrest warrant has been issued for REUTER-LATIN news agency correspondents because "they supplied false information."

In a television interview last night, Arce said that "there are bad Bolivians" that want to distort the nation's image "by undermining the dignity of the nation and the armed forces." The interior minister added: "These persons must pay for this."

"I have, therefore, issued an arrest warrant against the REUTER-LATIN correspondents, who will be forced to show us their slanderous and insulting articles."

Two Bolivian correspondents--the last two Bolivians working for a foreign news agency--were working last week at the REUTER-LATIN La Paz office.

ENVOY TO SPAIN ANNOUNCES SUPPORT FOR SILES ZUAZO

PA061637 Paris AFP in English 1614 GMT 6 Aug 80

[Text] Madrid, Aug 6 (AFP)--Bolivian Ambassador to Spain William Busqui today declared himself the representative of the newly proclaimed underground government of Hernan Siles Zuazo.

Siles Zuazo, who is challenging Bolivia's new regime established in a military coup, was frontrunner in the last Bolivian presidential elections.

INTERIOR MINISTER ARCE SAYS ARRESTS WILL CONTINUE

PY061204 Paris AFP in Spanish 0416 GMT 6 Aug 80

[Text] La Paz, 5 Aug (AFP)--A close aide of Hernan Siles Zuazo, leader of the Democratic and Popular Unity [Unidad Democratica y Popular--UDP], Col Jose Manuel Cardenas Mallo, ret, was arrested early this morning but managed to talk to journalists of a local afternoon daily.

Cardenas Mallo was a member of the UDP, and he said that the last time he saw Siles Zuazo--who is currently underground--was on the morning of 17 July, the date of the coup d'etat which led to the current military regime in Bolivia. Cardenas Mallo said that Siles Zuazo had not been harmed physically or psychologically.

On the occasion of this arrest, Interior Minister Luis Arce stated: "We are just about finished with the arrests of the members of the UDP and the Movement of the Revolutionary Left [Movimiento de Izquierda Revolucionaria--MIR]; then we will go on to the arrests of some private businessmen who have helped the latter political party, because I believe that it is dishonest to work against the Bolivian people as these businessmen have done."

BRIEFS

JUNE PETROLEUM PRODUCTION--The Bolivian Government Oil Deposits [YPFB] has reported that petroleum production in June totaled 724,435 barrels with a daily average of 24,148 barrels. This was a slight improvement over May production, which was about 24,000 barrels per day. [La Paz Radio Illimani Network in Spanish 1130 GMT 5 Aug 80 PY]

MILITARY APPOINTMENT--Gen Eden Castillo has been appointed interim chief of staff of the armed forces, replacing Air Force Gen Antonio Tovar who has been appointed chairman of the military court. [La Paz Radio Illimani Network in Spanish 1130 GMT 5 Aug 80 PY]

STATUTE ON FOREIGNERS AUTOMATICALLY APPROVED BY CONGRESS

PY060300 Porto Alegre Radio Guaiba in Portuguese 0200 GMT 6 Aug 80

[Text] The government's draft law establishing a new statute for foreigners was automatically approved tonight by the national congress because the regulation time for its discussion has expired and congress has not voted on it. The minimum required for a quorum to vote on the bill was 211 congressmen. Yet the maneuver of the government leadership prevailed: Only 198 congressmen attended the voting session, 193 of whom were against the bill.

Before the session, Deputy Falvio Marcilio, president of the Chamber of Deputies, could not conceal his irritation over the conduct of Deputy Nelson Marchezan, the government leader in the Chamber of Deputies. Shaking with tension, Flavio Marcilio showed newsmen a telegram in which Marchezan asked the Social Democratic Party's bloc to walk out of the plenary session so that there would be no legal quorum to vote on the bill and it would be automatically approved.

Details of Statute

PY060413 Brasilia Domestic Service in Portuguese 2200 GMT 5 Aug 80

[From the "Congressional Report"]

[Excerpts] The national congress is now meeting to vote on the government's bill that regulates the entry, stay and expulsion of foreigners.

The executive draft law states that no visa will be issued to foreigners who are considered to be a threat to public order or to national interests. In some cases, it makes the issuance of permanent visas to aliens conditional on their exercising well-known activities and residing in a clearly established area of the Brazilian territory. The visa will in no case exceed 5 years. Since visas issued by Brazilian consular officials are regarded as revocable rights, the entry, stay and registration of aliens may be canceled by the Justice Ministry.

The proposal also bans the legalization of the status of illegal aliens. Neither can aliens who entered the country under a transit, tourist, temporary or courtesy visa acquire a permanent visa.

Article 56 states that those aliens who enter or stay in the country illegally and refuse to leave the country voluntarily within the period established in the appropriate bylaw, will be deported. Article 60 states that before the alien is deported, the Justice Ministry can order his arrest.

Those aliens who may become a threat to national security, public or social order, the people's tranquillity, moral standards, or economy, or whose conduct may become damaging to the national interests, will be expelled from the country. An alien can be expelled from the country even if he was tried and convicted, as long as his expulsion is in the best interests of the nation.

Those who enter the country with a tourist visa cannot undertake any paid job. Those with a temporary visa cannot make individual arrangements and engage in a job different from the one for which he was originally hired. An alien hired to work in a certain region in an activity of interest to the local community cannot change residence before the established period.

Aliens admitted in Brazil cannot organize any type of organization having political goals, but can organize cultural, religious, recreational and charity associations which will be registered at the Justice Ministry.

An alien can be expelled from the country even if he is married to a Brazilian or if he is the father of a Brazilian child.

NO ANTIGOVERNMENT PAPERS AT BELO HORIZONTE NEWSSTANDS

PY060402 Sao Paulo Radio Bandeirantes in Portuguese 0230 GMT 6 Aug 80

[Text] Students in Belo Horizonte were selling today antigovernment newspapers to help pay for damages caused by terrorist attacks against newspaper stands, but city mayor (Mauricio Campos) forebade them to continue that sale because newspapers must only be sold through authorized newsstands. The owners of about 700 newstands in Belo Horizonte are not selling these newspapers for fear of reprisals by terrorist groups.

MINISTER CONFIRMS WITHDRAWAL OF WHEAT SUBSIDIES

PY060311 Porto Alegre Radio Guaiba in Portuguese 0200 GMT 6 Aug 80

[Text] Agriculture Minister Amaury Stabile has confirmed that subsidies to wheat prices will be gradually withdrawn but only when the inflationary rate begins to decline. He said the current level of subsidies to wheat will cost the national treasury approximately 60 billion cruzeiros through the end of this year. He believes the inflationary curve will tend to decline during the second half of this year as a result of the peak marketing of the latest agricultural harvest.

BRIEFS

JULY INFLATION RATE--According to calculations made by the Getulio Vargas Foundation, the July inflation rate surpassed 8 percent. That is the year's largest and one of the largest ever. Thus the accumulated inflation rate over the last 12 months is 106 percent. However, official reports on inflation rates will only be announced later this week. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Aug 80 p 28 PY]

SUGAR AND ALCOHOL PRODUCTION--Industry and Commerce Minister Camilo Penna has stated that the Sugar and Alcohol Institute's program for the 1980-81 harvest has a projected production of 7.8 million tons of sugar and 4.6 million tons of alcohol. [Porto Alegre Radio Guaiba in Portuguese 1200 GMT 6 Aug 80 PY]

LORD CARRINGTON ARRIVES ON OFFICIAL VISIT

PA061526 Paris AFP in Spanish 0521 GMT 6 Aug 80

[Text] Mexico City, 5 Aug (AFP)--Lord Carrington, British secretary of state for foreign and Commonwealth affairs, arrived here today at 2010 on an official visit which will last until 8 August.

Lord Carrington arrived accompanied by Lady Carrington and a group of British businessmen. "I am in Mexico for obvious reasons," the British official said on arriving here, adding: "Latin America has achieved relevant importance. This is particularly true for Mexico, Venezuela and Brazil, which have a potential that the world must take into account."

On Wednesday, the British official will meet with Mexican President Jose Lopez Portillo and Foreign Secretary Jorge Castaneda. Lord Carrington voiced his interest in his upcoming talks with the Mexican president: "I will discuss with him aspects of Central America, bilateral affairs and worldwide problems."

On Thursday Lord Carrington will visit Oaxaca, 300 km southeast of the Mexican capital, and there he will probably visit archeological ruins from the pre-Cortes era. On Friday at 2300 Lord Carrington will conclude his visit to Mexico and return to London. The British foreign secretary's visit to Latin America included Brazil, Barbados and Venezuela.

North-South Dialogue

PA070425 Paris AFP in Spanish 0217 GMT 7 Aug 80

[Text] Mexico City, 6 Aug (AFP)--British Foreign Secretary Lord Carrington today urged the developing countries "to understand that the rich nations cannot help them until they balance their domestic economies."

At the end of a meeting with Mexican President Jose Lopez Portillo, the British official added that it is necessary to put aside "the verbiage which leads to nothing" and promote a dialogue between the nations of the North and the South "in order to find specific ways for more equal relations." He noted: "800 million people who live in conditions of unacceptable poverty throughout the world demand this."

Lord Carrington, who arrived in Mexico yesterday on an official visit that will last until 8 August, said that during his talk with the Mexican president they discussed the political problems of the two nations and the current international situation. He also met with Mexican Commerce Secretary Jorge de la Vega today to analyze the possibility of guiding British investments toward the Mexican capital goods industry.

Mexican 'Awakening'

PA070418 Mexico City International Service in Spanish 0300 GMT 7 Aug 80

[Text] The Europeans have become aware of the great economic and social awakening of Mexico. This country has a great future because it has natural and human resources, British Foreign Secretary Lord Carrington has said. He arrived in Mexico recently to meet with President Jose Lopez Portillo to discuss the most pressing problems being faced by mankind. Other topics to be discussed with Mexican officials are: the Belize issue, a country that aspires to obtain its independence and the holding of the North-South dialogue in Mexico, which the British Government supports as long as the nations abstain from rhetoric.

CRITICA CLAIMS MARXISTS HEAD NEW NEWSPAPER

PA060025 Panama City CRITICA in Spanish 4 Aug 80 pp 4, 22

[From the "Bona Fide" column]

[Text] Isn't it odd that most of the intellectual directors of the newspaper LA PRENSA which is published today for the first time are Marxist figures? Or could it be that the private enterprise's (aggressive) tolerance seeks the suicide of these same leftists so that it may later rejoice over their dead bodies? Will our colleagues from LA PRENSA believe we are joking...or not?

LA PRENSA EDITORIAL COMMENTS ON PURPOSE OF PAPER

PA061744 Panama City LA PRENSA in Spanish 4 Aug 80 p 1

[Editorial: "LA PRENSA: Reality and Hope"]

[Text] With the publication of this first edition, one period ends and a new one, equally filled with stimulating expectations, begins. Thousands of Panamanians and distinguished continental journalists have followed, with strong curiosity, the organization of this enterprise, which has been forged on the basis of wishes and goals that at first seemed unattainable.

Having a newspaper whose veracity and independent views could be verified daily through its publications became a challenge to the national creativity. Not only the enthusiasm and responsible attitude of its promoters but, to a truly decisive degree, the militant sympathy and solidarity of the entire community--to whose auspices this new paper is really owed--contributed to its success and guarantee.

It was not easy, and it will be no easy task to have a publication geared toward objective and truthful news in accordance with the country's best interests and the editors' major efforts and perseverance. In order to fulfill these goals, which are so dear to the majority of our people, it will be necessary to replace the countless obstacles built around a press which, during the last decade, has been subjected to unprecedented censorship and vexations.

We do not intend to dismay at the editorial level, just as we did not dismay during the process of organization. We hope that the support and guidelines we will receive every day from those who send us their advice or criticisms will help invigorate the beliefs and goals that today enliven us. This paper responds to the desire of many to put an end to the dense and obscure monologue that has been held since 1968, the effects of which have rarefied not only the country's political life but even its cultural identity and historical destiny. We respond to the need to withstand the disintegrating blows currently being dealt the international community everywhere, particularly to those of us who live in this forgotten part of the world.

In that, as in various other aspects, we are a different newspaper. We are different because, contrary to a certain deplorable tendency exploited by interested sectors, we are moved by the desire to stress and make more noble those values that unite us Panamanians so that together we may obtain the victories that we would never deserve divided. At the domestic level we will strive for the development of an egalitarian society, where justice and respect for the rights of others will prevail. At the international level, we will strive to restore respect for our territorial integrity.

It is only natural that we should be interested in the future of our enterprise, but at no time will we sacrifice our independence, and least of all our position of principle, in exchange for survival. We will not make any effort to win friends through obsequious complacency or, at the expense of [being] an accomplice, through silence which from that moment on would take away all our moral authority. To silence the truth and conceal that which should be criticized would constitute a betrayal of the upright conduct we have imposed on ourselves and of the good faith on which our relations with our readers should be based.

This paper was born with these ideals and today it takes its place in the informational torrent of the national activity. We promise that these ideals will continue to reflect the wishes and feelings of those who made this paper possible so that the reality of a free press can stop being an illusory hope among us.

COLUMNIST SEES 'MILITARY BOSSISM' HEADING FOR DEMISE

PA061814 Panama City LA PRENSA in Spanish 4 Aug 80 p 16

[Article by Carlos Bolivar Pedreschi: "Military Bossism"]

[Text] As circumstances required we have said on various occasions, as loudly and clearly as we have been able, that dictatorships are not a casual happening and the relaxation of their grip is not accidental either. For example, the liberalization of the system does not come about because one day a dictator graciously decides to free a country of the rule he has imposed or to tone it down. In Latin America's dictatorships, and Panama's is not an exception, the liberalization of the system occurs as an objective necessity, that is, something that is beyond what the dictatorship's officials and beneficiaries actually want. In our opinion, the relaxation of the system is the result of the scope that the economic, fiscal, social and political problems of a country take on under a dictatorship. In turn the extent of those problems is due to the obvious and true political inability of the dictatorship which cannot be glossed over with all the ink and paper in the world. This is what the experiences of Peru and Panama indicate. As a result of this, Peru has gone from military bossism to civilian rule without, of course, this meaning that militarism has been wiped out in Peru. Among the things leading to the disappearance of militarism, it is necessary for the military themselves, out of imprudent loyalty to the dictator, to dismiss every possibility of a peaceful solution and to leave no alternative but civil war, as happened in Nicaragua.

In time Panama will go from military bossism to civilian rule without wiping our militarism. In Panama the incomplete relaxation of the system through the 1978 constitutional amendments, the return of most exiles, the legalization of the political parties, the announced retreat to the garrisons and the September 1980 elections is just part of the series of events that the Panamanian dictatorship is experiencing, for the reasons we have noted, on its way from dictatorial rule and military bossism to civilian rule. Contrary to Peru, the full cycle has not been run in Panama. But in Panama, as in Peru, conditions exist for the cycle to be completed. In view of this, it is important that both civilians and military learn the lesson and that we prepare ourselves with the responsibility and maturity lacking in the past to tackle the challenges posed to Panamanian society by the serious economic, fiscal and social problems of the almost 12 years of lamentable political vacuum.

COSTA RICA

OFFICIALS INTENSIFY HUNT FOR WOULD-BE BANK ROBBERS

PA061534 San Jose Radio Reloj in Spanish 1200 GMT 6 Aug 80

[Excerpt] The authorities have doubled the vigilance on airports and border areas to prevent the escape of the three missing members of the international band which tried to hold up the National Bank of Costa Rica and kidnap one of its executives to demand 1.8 million colones and $50,000.

The three missing fugitives were identified by the Judicial Investigation Organization, OIJ, as Josue Zeledon of Nicaragua; Perez Castro Arias, "Castrito," of Panama; and Jose Vasquez Barahona, "Julian," of Honduras. The latter, although a Honduran citizen, travels with an Ecuadorean passport and arrived in Costa Rica by air.

The two members arrested by OIJ agents include the leader of the band that tried to carry out the holdup and kidnapping. He was identified as Lloyd Wright Windborne, U.S. citizen, 50. Windborne has been a long resident of Costa Rica and owns a small construction firm. The other prisoner is Venezuelan Manuel Garcia Martinez, hired by Windborne to participate in the frustrated operation.

GOVERNMENT SIGNS COMMERCIAL AGREEMENTS WITH ROMANIA

PA061510 San Jose Radio Reloj in Spanish 1200 GMT 6 Aug 80

[Text] The Governments of Costa Rica and Romania yesterday reached new agreements in their commercial relations. Costa Rica will offer Romania a number of products based on a list to be submitted by the export and investment promotion center and the Chamber of Commerce, as requested by the Romanian Embassy.

The agreements on cooperation for exploitation and processing of bauxite into alumina and aluminum will be revised and renewed. Romania, in turn, will offer assistance in the construction of a hydroelectric plant of approximately 1.75 million watts. Costa Rican experts will travel to Romania for additional training for this project.

EL SALVADOR

FPL DESCRIBES NORTHEASTERN REGION AS WAR SCENE

PA070340 Havana International Service in Spanish 0000 GMT 7 Aug 80

[Text] The Farabundo Marti People's Liberation Forces [FPL] have described the country's northeastern region as a war scene where the guerrillas are becoming a regular force with ample fighting power and great support. An FPL report stated that the guerrillas have been able to install a communications network in the San Miguel, Morazan, Cabanas and La Paz Departments which is hooked up with other areas in the country, allowing them to get supplies steadily and to coordinate their actions.

The FPL revealed that the forces of the People's Revolutionary Army have carried out war actions in this region since mid-June. These actions have recently been carried out in joint attacks by the FPL and the Armed Forces of National Resistance. The report stressed that the guerrillas have repelled offensives by the army, the police and the paramilitary forces in La Union and Morazan Departments.

Meanwhile, press dispatchers affirmed that the repressive troops and military gangs of El Salvador had killed 31 persons over the past few hours, while the Christian Democratic Junta extended the state of siege, which has been in effect for 6 months, for 30 more days.

VIOLENCE CLAIMS 31 MORE; FAMILY BLOWS ITSELF UP

PA061727 Managua Radio Sandino in Spanish 1200 GMT 6 Aug 80

[Text] Thirty-one persons have been killed by El Salvador's repressive forces in the past few hours. The Christian Democratic-military junta, meanwhile, has extended for a fifth time the state of siege that has been in effect for the past 6 months.

The victims include four youngsters decapitated and thrown at the entrance to a San Salvador theater by paramilitary groups. Eyewitnesses, meanwhile, reported that eight students were killed by national guard troops after having been captured near the Francisco Menendez Institute in northeastern San Salvador. Military patrols killed seven persons in San Salvador's San Antonio de Abad District and another four victims were found in the Candelaria and Tacamil neighborhoods.

A San Ramon family yesterday preferred to blow up their home rather than surrender to security forces. The occupants of the building--two men, one woman and one child--fired on the policemen raiding their home and used dynamite to blow it up as dozens of policemen attacked.

The government has continued its policy of not issuing reports on the violent clashes of guerrilla groups and army troops in the departments of the northeast. According to unofficial reports circulating in San Salvador, troop casualties amount to over 200.

The Christian Democratic Junta extended the state of siege another 30 days, thus continuing the suspension of individual guarantees and permitting raids and arrests without warrants.

Report on Decapitations

PA062342 Buenos Aires LATIN in Spanish 1922 GMT 5 Aug 80

[Excerpt] San Salvador, 5 Aug (LATIN)--Four headless bodies were thrown in front of a movie theater in downtown San Salvador today. The bodies bore notes saying that they had been executed by a rightist squad because of their complicity in the kidnapping of South African Ambassador Archibald Dunn.

The Secret Anticommunist Army [Ejercito Secreto Anticomunista--ESA], one of the various ultrarightist groups engaged in a clandestine war against the leftist organizations, reported that it sentenced the four men for being members of the People's Liberation Forces (FPL), which kidnapped the ambassador in November. The FPL is demanding a $20 million ransom for the diplomat.

A large crowd gathered around the bodies. The killers' communiques asked the authorities to identify the victims to prove that the killers "are not ordinary criminals of the rightwing, but are trying to put an end to violence."

It is estimated that 2,000 persons have died in political violence in El Salvador this year. Police reported that seven bodies were found in various parts in the country last night.

The handwritten notes found on the four headless bodies, signed by the Gen Maximiliano Hernandez Martinez Brigade of the self-styled anticommunist army, stated that Juan Chacon, one of the top guerrilla leaders of El Salvador, had escaped from their hands. Chacon, leader of the People's Revolutionary Bloc, has just returned from a trip to Europe and Latin America searching for support for the leftist organizations that are trying to oust the civilian-military junta that rules El Salvador.

GUATEMALA

GOVERNMENT CONDEMNS KILLING OF NEWSMAN RIBAS MONTES

PA062137 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 6 Aug 80

[Statement by Carlos Toledo Vielman, presidential public relations secretary--recorded]

[Excerpt] The Guatemalan Government is extremely distressed and filled with indignation over the barbarous criminal killing of one of Guatemala's main newsmen, Mario Ribas Montes. It feels deeply hurt and shocked because Mario was an honest and responsible newsman. He always bravely worked in defense of the Guatemalan democratic system. The fatherland, Guatemala, has forever lost one of its most valuable men.

The government has already announced an immediate investigation of the case to find the criminals who killed Mario Ribas Montes. We believe that the extremist ideological groups [words indistinct] which are involved in this task of (attacking) the Guatemalan press [words indistinct]. They are undoubtedly trying to sow terror [words indistinct] the social communications media so that its views, its love of Guatemala will be silenced.

Army Communique

PA062138 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 6 Aug 80

[Guatemalan Army communique issued on 5 August read by unidentified army spokesman--recorded]

[Text] The Guatemalan Army, deeply shocked by the tragic death of distinguished newsman Mario Ribas Montes, general manager of the newspaper EL IMPARCIAL, a [word indistinct] at the service of democracy and public freedoms, regrets that fanatical and unpatriotic [words indistinct] great Guatemalans who have always been present in the fatherland's difficult moments, [words indistinct] which distinguish them and [words indistinct].

The government [word indistinct] free thought, the Guatemalan Army, by constitutional mandate, defends it. Newsmen such as Mario Ribas make possible the exercise of that right [words indistinct] the democracy which exists in Guatemala.

In view of the aforementioned, the Guatemalan Army condemns the cowardly and senseless act of individuals who belong to communist subversion and who follow orders from abroad. They have killed a newsman such as Mario Ribas Montes who within the exercise of freedom of expression was always loyal to his principles and lived with the firm belief that words exist to tell the truth and not to hide it.

DEFENSE MINISTRY ISSUES RECRUITMENT INSTRUCTIONS

PA310002 Guatemala City Radio Mundial in Spanish 2255 GMT 29 Jul 80

[Distributed by Inter-Central American Radio Organization]

[Excerpt] The Defense Ministry has announced the instructions that will regulate the new recruitment plan for the compulsory military service which includes full guarantees for the citizens as provided in the constitution. The instructions establish that the candidate will retain his status as volunteer and should not be pressured, coerced or be the victim of personal vengeance. The candidate must be convinced by reading the constitutional article pertinent to him and the benefits--fringe benefits, monthly salary, Christmas bonus, life insurance and pension for his parents--involved.

HONDURAS

FORMER SOMOZIST GUARDS ORGANIZE 'PARAMILITARY GANGS'

PA070135 Panama City ACAN in Spanish 2155 GMT 4 Aug 80

[Text] Tegucigalpa, 4 Aug (ACAN-EFE)--Anibal Delgado Fiallos said here today that former Somozist guards presently living in Honduras are organizing paramilitary gangs to kill the leaders and activists of national popular organizations. Delgado Fiallos is secretary general of the opposition Honduran Patriotic Front [FPH] which includes more than 30 progressive organizations.

The FPH is presently investigating this serious problem, since we are familiar with the connections of the Somozists who have threatened to kill us as well as other leaders, Delgado Fiallos said. We will ask the National Constituent Assembly to undertake a special investigation of this charge because we are sure that the Honduran regime will not lend itself to harboring these barbarous criminals and violators of all human rights, he added.

Anibal Delgado Fiallos compared the groups, which according to him have been formed in Honduras, with the well-known rightist Nationalist Democratic Organization of El Salvador and the Secret Anticommunist Army of Guatemala. In Nicaragua this type of organization was known as "Alas," the same name used by the former [Somozist] guards in Honduras.

The FPH secretary stated: "The Somozists think that by eliminating the popular leaders they will stop the rebellion, without realizing that our people's miserable living conditions are the real cause of violence."

The former guards cannot earn a living in any other manner because they are criminals, Delgado Fiallos stated. But we trust that the Honduran democratic forces will hinder the institutionalization of political crime and repression here.

NICARAGUA

SOVIET AMBASSADOR DENIES BASES BEING BUILT

PA061313 Managua LA PRENSA in Spanish 30 Jul 80 pp 1, 12

[By Pedro Joaquin Chamorro]

[Text] Soviet Ambassador German Shlyapnikov carefully read a brief report I handed to him. The report claims that Soviet engineers are building a military airport near Puerto Cabezas, on the country's Atlantic Coast. [paragraph continues]

This report quotes the British newspaper DAILY TELEGRAPH as its source. The paper claims it received its information from sources in the Nicaraguan opposition.

The TELEGRAPH also notes that the Cuban ambassador in Nicaragua "is a well-known security agent." Shlyapnikov's face showed great surprise and he laughed and remarked with a good sense of humor: "Fortunately, it is not I (who am a security agent), according to this British newspaper." When he was asked for his opinion regarding the alleged news that resulted in the report, the Soviet ambassador turned serious and stated: "I do not know anything about this. This is the first time that I have heard about it. However, I can reject this report right now. I can state with certainty that we do not have Soviet engineers building any airport in Nicaragua."

He added: "This is bad for the Nicaraguans themselves, because the daily is making persons in the Nicaraguan opposition responsible for this report.

"We do not even have plans for such a construction project.

"I will answer any question you may have regarding this matter, but I can only tell you the truth. We do not even have plans for the next 10 or 15 years and the Nicaraguan Government has never asked us for anything like that. We operate on the basis of friendly relations with your country and we do nothing in secrecy.

"Our plans for establishing a fruitful cooperation are in the fields of mining, geology, and hydroelectric energy. In this regard we do have plans and I will permit you to say so. We are going to establish this type of cooperation. We have also talked about training technicians at the intermediate level, that is, skilled workers."

"The reactionaries who want to present us this way," (the ambassador now speaks with the report in his hands) "are trying to gain ground by discrediting us. We are here to help without making a secret of this cooperation. Before, they talked about an alleged military base we supposedly were building in Esteli. Now they have invented another one."

Ambassador Shlyapnikov later thanked LA PRENSA for its gesture of having discussed with him the controversial report before publishing it. He noted: "This shows you are a respectable newspaper that tries to find the truth, rather than just publishing sensationalist reports."

Referring to his office and diplomatic personnel, the ambassador said: "We have our residence and office in the same building, but it is too small for our needs. Right now we have only three diplomats: the first secretary, the third secretary and myself. All the others went on vacation and have not returned yet. Perhaps they went to the Olympics. I hope they come back soon because we cannot work like this indefinitely."

Speaking on the technical assistance, the ambassador stated: "We plan to train skilled workers, not engineers. We work on the basis of what is already here. We expand training centers..."

Always in good humor, the ambassador noted: You are not going to discover any secrets saying that the Soviets are building two naval bases and three airports here. I do not like surprises, I do not like to surprise others either."

We also have plans to establish cooperation in the fishery field. A fishery research ship will arrive today at the Atlantic coast and I assure you it will not have any electronic espionage equipment. Any Nicaraguan wanting to see it is welcome. The ship will be doing scientific research with Nicaraguan scientists."

"It seems to me that this type of cooperation is allowed. It is the duty of all mankind to help Nicaragua with this type of fruitful cooperation."

When asked about Fidel Castro's visit to Nicaragua and his 19 July speech, the Soviet ambassador said:

"I have to know more about it. We have no right to give opinions regarding the actions of a leader of another country. It is a bilateral affair between Nicaragua and Cuba."

"What I can say is that Fidel Castro's visit to Nicaragua was a big event. This was obvious from the big welcome the Nicaraguan people gave him. And it is logical, because relations between Nicaragua and Cuba are normal and Castro's visit is just one aspect of these friendly relations."

"I can also assure you that Castro's visit is an important event from an international viewpoint. In my opinion it has had great international importance."

"From a personal viewpoint Castro's visit gave me the first opportunity in my life to meet Companero Fidel. And I told him: It has been an honor to meet you, Companero Fidel, here in free Nicaragua."

"Fidel is an internationally renowned man, a great revolutionary and the leader of our Cuba, our friend." "I am very happy to have met him here in Nicaragua and I thank the Nicaraguan Government for giving me the opportunity. It has been indeed a happy occasion," "especially because Fidel is a great friend of the USSR and of our people."

Regarding the arrest of Abohasen, following an alleged invitation to a reception at the Soviet Embassy, the ambassador said emphatically: "I did not witness the arrest of that gentleman, nor did I order it. I only reported to the Foreign Ministry that an alleged invitation was circulating which involved the two governments and I did so because it was my duty as ambassador.

"I am very grateful to this gentleman because he gave us the invitation and I am fully convinced that he is an honest man and all he did was to show us an invitation. I would like to talk to him, explain things to him and clear the situation up once and for all."

Regarding an item in LA PRENSA indicating that Soviet diplomats had seen an IFA [GDR Industrial Association for Motor Vehicle Construction] truck demonstration from the 19 July Plaza grandstand, a report that caused the government to lodge a strong protest because it considered the item biased and ill-intentioned, the Soviet ambassador said: I was not aware of what happened until I read the reaction against LA PRENSA. Then I looked up the article and read it. I do not have the least doubt that it was an honest mistake on the part of the reporter. The individuals were GDR officials attending a demonstration of vehicles they had sold to the Nicaraguan Government."

Afterwards, Ambassador Shlyapnikov was told that what had happened was that the LA PRENSA reporter was not allowed to interview one of the commanders on the grandstand and that he had to obtain his information from another officer.

Ambassador Shlyapnikov referred to the article on the USSR entitled "It Is Better To See Once Than To Hear a Hundred Times" recently published by LA PRENSA. Here is what he said: "Really, knowing LA PRENSA's ideology, I did not expect this. It was an article done with great honesty and was very professional. The title summarizes the article. The article refers to real facts and not ideological concepts and though some points are somewhat inaccurate, I am sure this was due to the short time the trip lasted and not because of a desire to distort the facts. [paragraph continues]

It was a very honest report and was corroborated with excellent photographs."

He added: "This is type of article which helps improve the friendly ties between the USSR and Nicaragua."

Thus ended an interview characterized mainly by sincerity and good humor.

TASS TO HAVE TWO CORRESPONDENTS IN NICARAGUA

PA061732 Managua Radio Sandino in Spanish 1200 GMT 6 Aug 80

[Text] TASS will have two correspondents in Nicaragua. TASS, the Soviet news agency, is establishing a direct line with the NEW NICARAGUA NEWS AGENCY. Nicaraguans will now be able to read and listen to TASS just as they read and listen to the news of the American AP and UPI agencies.

The director of TASS is now in Nicaragua. Last night, he held a meeting with representatives of Nicaraguan journalism and this morning, he will be coming to the microphones of Extra, the national newscast.

U.S. CONGRESSMAN LEHMAN VISITS STATE COUNCIL

PA061309 Managua Radio Sandino in Spanish 0300 GMT 6 Aug 80

[Text] U.S. Congressman William Lehman from Florida visited the State Council this afternoon. He was received by the guerrilla commander and State Council secretary, Companero Hugo Torres. The U.S. congressman and Commander Torres held a lengthy, friendly and cordial talk.

Lehman is considered one of the more progressive members of the U.S. Congress because of his stands so far.

The guerrilla commander said that the revolution welcomes with open arms all those who want to visit. This is even more true when the visitor represents the interests of his people. We believe that you represent the interests of the North American people. Our people are very friendly but we can choose our own friends, so you can feel as if you were in your own home, Companero Torres concluded.

Lehman said he was in our country as representative of the Appropriations Committee [words indistinct] which presents aid programs to Congress for approval. We want to help the Nicaraguan people because we know they have suffered greatly, with the earthquake as well as through the war. We want to see, however, an open democratic process with the existence of a free press. I shall present a report to the subcommittee on everything I have seen.

The State Council secretary said that he was pleased with the frank manner in which the congressman spoke. He informed the congressman about the debt inherited from Somozism and that most of this sum is owed to the United States. The congressman showed interest and asked for more details and said that he had to become well acquainted with the matter in order to study the way in which the debt can be renegotiated [words indistinct] canceled.

Regarding freedom of expression, Commander Torres asked the visitor to talk to newsmen directly because they, above all, know about the freedom of the press existing in our country.

STATE COUNCIL STATEMENT CONDEMNS BOLIVIAN COUP

PA062158 Managua Radio Sandino in Spanish 1800 GMT 6 Aug 80

[Fernando Centeno report from the State Council in Managua--live or recorded]

[Excerpt] The State Council today issued a statement condemning the fascist Bolivian junta for the military coup perpetrated against the ongoing democratic process. It states in part that the council:

1. Vigorously condemns the fascist coup perpetrated in Bolivia and the repression and genocide perpetrated by that nation's troops against Bolivian brothers;

2. Calls on the legislatures of the various Latin American countries to pronounce themselves against the fascist coup in Bolivia, inviting them to ask their respective governments not to recognize the government headed by coupist officers;

3. Appeals to the Latin American Parliament, a democratic and independent organization grouping all the Latin American parliaments, to condemn the perpetrators of the coup and killers of the heroic people of Bolivia in the name of all the free and democratic peoples of the continent and, if possible, to request its European counterpart for a similar statement;

4. Sends a letter to the junta of the Government of National Reconstruction supporting all the moves it makes before the OAS, as representatives of the people of Nicaragua and through the Ministry of Foreign Relations, to promote an OAS condemnation of the Bolivian coupists.

SOMOZISTS BLAMED FOR KILLING LITERACY BRIGADE MEMBERS

PA011908 Managua Radio Sandino in Spanish 1200 GMT 1 Aug 80

[Text] NUEVO DIARIO today reports the murder of two other [literacy] brigade members in Jinotega. Innocent blood continues to flow. The blood of martyrs continues to fertilize the freedom for which we have paid so dearly. Thirsty for blood, thirsty for vengeance, thirsty for hatred, the Somozist hyenas continue their provocations in an effort to satiate their criminal appetites. According to correspondent Felix Rivera, the new victims are Noel Gadea Pastora and Jose Antonio Chacon Morazan, both natives of Jinotega.

According to a report, a group of individuals, apparently former Somozist guardsmen, arrived in (Parpan) near La Pita village on the banks of the Coco River, and started shooting at the local residents. Aside from killing Gadea and Chacon, they wounded a child.

The group of bandits reportedly arrived from the Honduran border, where they are allowed to act freely. Hondurans are their accomplices. They are allowed to go out and kill like wild beasts. Later, they return to their cages. The army is said to have surrounded the entire Wiwili area and a big operation is currently underway in which Sandinist air force units are participating.

The complicity of Honduras with these assassins is inconceivable. They can be sure of one thing. The minute they enter our territory to commit murder, not a single one of them will return. The militia, the army and police are currently conducting a vast operation in that area in order to make revolutionary justice prevail.

Description of Attack

PA011909 Managua Radio Corporacion in Spanish 1200 GMT 1 Aug 80

[Excerpts] A band of 25 counterrevolutionaries fired from Honduran territory at a small boat carrying literacy brigade members, killing three and wounding three. The attack was staged by Somozist guardsmen along the Coco River and the shots came from the Honduran side. The gang of counterrevolutionaries was composed of some 25 people. The body of a Miskito peasant woman killed by the foes of the people was carried off by the river and has not been recovered.

Luis Eduardo Amaya, a brother of the La Salle Order who is responsible for the literacy campaign in Jinotega, will now provide details on the new attack against the people and particularly against the literacy brigade members in that area:

[Begin recording] [Question] Did the attack take place near the Honduran border and in what direction did the counterrevolutionary elements flee?

[Answer] Yes, it did take place close to Honduras. In other words, the Coco River is on the border with Honduras. It is believed that the attackers were on the Honduran side of the border and presumably, therefore, fled in that direction.

[Question] How is the morale of the companero brigade members in this troubled area? What reports do you have, Brother Amaya?

[Answer] Based on statements by some brigade members, we have concluded that they continue struggling, that they continue working, even though they know they may find (?many) difficulties in the area. However, they feel somewhat more confident now because the army has been active in the area. Together with the coast guard, it has carried out a strong mobilization to try to protect the brigade members in particular and to find the perpetrators of these criminal acts. [end recording]

ALLEGED 'COUNTERREVOLUTIONARY' ACTIVITIES REPORTED

PA061503 Paris AFP in Spanish 0425 GMT 6 Aug 80

[Text] Managua, 5 Aug (AFP)--It was learned here today that one person was killed and another wounded during an intense, 1-hour shootout in the prisons located in the free zone, next to Managua International Airport.

An alleged counterrevolutionary group, armed with machineguns, today attacked a bank branch in Nandaime, 75 km southeast of Managua and stole $100,000.

Unconfirmed reports indicate that a counterrevolutionary group attacked the prisons which house hundreds of inmates--former Somozist army members. Reporters saw a body lying in a prison yard at noon today and confirmed that a prison guard had been hospitalized after being seriously hurt in the shootout. His name is Ricardo Dias, 17. His mother, Juana Dias, the prison cook, said the the shootout was very intense and that everyone inside the prison spent a long time lying on the ground looking for protection. Late this afternoon Interior Ministry spokesmen announced that no (?official) report would be released on the matter.

Comdr Lenin Cerna, Nicaraguan security chief, said a few days ago that counterrevolutionary groups are very active throughout the country and several confrontations between these groups and Sandinist Army members have been reported.

Interior Minister Tomas Borge today ordered the release of 26 people accused of collaborating with counterrevolutionaries in the north "to give them one last opportunity." he said.

RAMIREZ WARNS OF 'FASCIST INFILTRATION' IN LATIN AMERICA

PA020149 Madrid EFE in Spanish 0900 GMT 31 Jul 80

[Text] Bogota, 30 Jul (EFE)--Sergio Ramirez, member of the junta of the Government of Nicaragua, charged yesterday evening that there is a "dangerous fascist infiltration in Latin America and cautioned that if Ronald Reagan becomes president of the United States, "times worse than those of the 1950's" will come to this continent.

He stated: "We are more worried about a fascist infiltration in Central America than about communist infiltration. I believe that the fascist front has taken a very dangerous advance position in Bolivia and we are very concerned with the possibility that other countries of this continent could become victims of this infiltration."

The Nicaraguan leader said our greatest priority "is the case of Bolivia and we are prepared to postpone any differences we may have with another country so that the Bolivia matter is treated first." He noted: "We are doing this so that the Bolivia case is treated with the seriousness and urgency that it requires at this moment. We do want to call the attention of the Latin American countries to the fact that this is a very serious case that must not be disregarded."

"Furthermore," he stated to Colombia's Radio Caracol network, "the situation does not have to be accepted as a consummated fact simply because it has come about and we must not either resort to the principle of nonintervention to say that this is a matter that must be solved by Bolivia. I repeat, this matter concerns all of Latin America."

Ramirez blamed "retrogressive interests still remaining in Latin America" for coups d'etat such as the one in Bolivia. Those interests, he added, "are against democracy and the will of the people and irrationally cling to their old interests." Ramirez noted: "This is precisely what is happening in El Salvador where a few privileged families that for years gained wealth at the expense of the work and blood of the people, now are killing the people in the streets. It is also the history of Guatemala. Now the same thing is happening in Bolivia."

"When military groups carry out a coup d'etat, they don't do it alone. Behind them are groups with interests contrary to those of the people. The people of Bolivia had said that a candidate had won the presidential elections there. A few days later, the military simply decided that it would not be that way. We cannot accept that. If we get into the habit of accepting this type of situation, then we will be going backwards."

Regarding the influence that Ronald Reagan could exert if he becomes president of the United States, Ramirez said that Reagan's policies and ideas are contrary to the ideals of the people of this continent. "U.S. elections affect Latin America because of the prominence that the United States has on this continent," Ramirez noted. "What Reagan has said in his platform represents a serious threat to Latin America, especially to the Panama Canal treaties and to the economic aid for the reconstruction of Nicaragua. All this sounds like the 1950's, like the worst period of the cold war," Ramirez concluded.

CORINTO STEVADORES UNION LEADERS 'UNMASKED'

PA012252 Managua Domestic Service in Spanish 0400 GMT 1 Aug 80

[Text] The Sandinist Labor Federation [CST] of the Port of Corinto called a news conference this afternoon to report on the imperialist maneuvers of Stevadores Union leaders Zacarias Hernandez, Ernesto Padilla Wilson and Guillermo (Salmeron).

These counterrevolutionaries, who were disguised as labor leaders and who had deceived the workers, were unmasked this afternoon by Mario Perez, the official in charge of the Corinto CST. The false leaders had telegrams in which they had congratulated the dictator's henchmen for the repression which the National Guard had exerted against the workers of the Port of Corinto. These elements were becoming increasingly suspicious in the eyes of the Corinto labor movement because they maintain bonds with the ITS [expansion unknown], the imperialist labor union which greatly contributed to the CIA's overthrow of Salvador Allende in Chile.

Felix Tomas gives additional details in this recording: [Begin recording] A news conference was held this afternoon at the Corinto CST. It was attended by representatives of the nation's media. Its purpose was to report to the citizens the problems being caused in Corinto by the corrupt leaders of the Stevadores Union of Corinto.

The news conference was attended by Mario Perez Fonseca, official in charge of the Corinto CST, and Companero Jorge Rojas, official in charge of the eastern CST and a member of the State Council.

At the news conference, Companero Perez announced that in Corinto, the CST and other mass organizations are going to (?remove) all vestiges of imperialism trying to (?disrupt) the peace (?and) the Sandinist people's revolution. Companero Perez [passage indistinct], most of whom are (?members) of (?or guided by) the murky CIA, which attempts to divide the working class of Corinto.

Also, Companero Jorge Rojas reported that [passage indistinct] the Corinto CST breaks relations, but not with the working class, pointing to the counterrevolutionary attitude of these elements who tried (?early this morning) to boycott the unloading of the Mexican ship Sonora, which was bringing to Nicaragua 500 tons of raw materials to be used to increase our production. [end recording]

CENTRAL AMERICAN FOREIGN MINISTERS TO MEET IN MANAGUA

PA070316 Managua Radio Sandino in Spanish 1200 GMT 6 Aug 80

[Text] The Central American Foreign Ministers conference will be held in Managua from 14 to 16 August, Nicaraguan Foreign Ministry spokesmen said. The conference will approve a statement declaring Central America and the Caribbean a peace zone, and will discuss the development of hydroelectric potential in the region.

It was also said that, besides the Central American foreign ministers, the conference will be attended by a group of Dominican Republic observers as occurred during the last meeting held in San Jose, Costa Rica in March.